



Public Service Commission

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Rory M. Christian, Chair

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PSC Grants Developers Extra Time to Complete Housing Developments

Developers Receive Relief from COVID-19 Pandemic Construction Moratorium

ALBANY — The New York State Public Service Commission (Commission) today granted homebuilders an additional year to complete their real estate projects; this in addition to the standard five-year development period. Under Commission rules, before construction of a residential subdivision is started, the local electric and gas utilities may require from a developer a deposit equal to the estimated cost of extending utility service to the subdivision. The deposit is in addition to the developer's payment of its share, if any, of costs for installation of utility facilities. The Commission's regulations specifies that any portion of the deposit remaining unrefunded five years after the date the utility is first ready to render service from the underground electric distribution lines shall be retained by the utility. The deposit is intended to incentivize performance by the developer and protect ratepayers from utility investments on behalf of a subdivision that does not produce a return on investment.

"During the COVID-19 pandemic, many residential construction companies faced significant challenges, and as a result, many companies were forced to halt their operations," **said Commission Chair Rory M. Christian.** "Today's decision provides relief for companies to recover from the impact of the COVID-19 pandemic."

Developers were impacted by the pause in construction that occurred March 23, 2020 through June 8, 2020. To offset that moratorium, the Commission will now grant developers with an additional year to complete developments that were directly impacted by the construction moratorium and additional time for them to recoup their deposits.

Twenty-two developers petitioned the Commission for an extension. This one-year extension helps developers by allowing them another construction season to complete developments as the construction moratorium interrupted the 2020 construction season. This general waiver for all qualifying projects also ensures that developers impacted by the construction moratorium that did not petition the Commission can also benefit from an extension to their development periods.

The extension for the development periods for these developers are one year, to six years total. Qualifying developments are developments for which a utility was first ready to render service prior to June 8, 2020, with a development period expiration date on or after March 23, 2020.

The Commission has, through several recent orders, extended the development periods of several residential developments to reflect the impact of the construction moratorium. Extending the development period for all developers with qualifying developments would resolve the potential inequity among developers that may not have the wherewithal to seek Commission relief.

With its decision today, the Commission directs utilities to: (1) identify and notify qualifying developments within 120 days of the issuance date of the order; (2) provide any refunds owed to qualifying developments that have already connected new customers during a one-year extension that is in progress, or has already expired, within six months of the date of this order; and (3) file the proposed notification to qualifying developments and a description of internal processes that will be used to implement the extended development periods within 120 days of this order.

Today's decision may be obtained by going to the Documents section of the Commission's Web site at www.dps.ny.gov, under 'Commission Files' and then 'File Search' and entering Case Number 23-M-0080 in the input box labeled "Search for Case/Matter Number". Many libraries offer free Internet access. Commission documents may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500). If you have difficulty understanding English, please call us at 1-800-342-3377 for free language assistance services regarding this press release.